

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6283**

**BILL NUMBER:** HB 1073

**DATE PREPARED:** Nov 13, 1998

**BILL AMENDED:**

**SUBJECT:** Tuition exemptions for relatives of certain veterans.

**FISCAL ANALYST:** Mark Goodpaster

**PHONE NUMBER:** 232-9852

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

(A) It specifies that the following persons are eligible to receive tuition exemptions as the relatives of veterans: (1) A person who is a pupil at the Soldiers' and Sailors' Children's Home (ISSCH) if the person was admitted to the Soldiers' and Sailors' Children's Home because the person was related to a member of the armed forces of the United States. (2) A person whose mother or father served in the armed forces of the United States if the mother or father received the Purple Heart decoration or was wounded as a result of enemy action and received any discharge or separation from the armed forces other than a dishonorable discharge. (3) A person whose mother or father served before July 1, 1999, in the armed forces of the United States during any war or performed duty equally hazardous that was recognized by the award of a service or campaign medal of the United States if the mother or father suffered a service connected death or disability and received any discharge or separation from the armed forces other than a dishonorable discharge.

(B) It provides that a person may not receive a tuition exemption unless the person: (1) is eligible to pay the resident tuition rate at the college or university the person will attend as determined by the college or university; and (2) possesses the requisite academic qualifications.

(C) It provides that the tuition exemption is for 124 semester credit hours. (Current law provides that the tuition exemption is for a four year period.)

(D) It makes it a Class A misdemeanor for a person to knowingly or intentionally submit a false or misleading application or other document to receive a tuition exemption.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:**

**Explanation of State Revenues: Remission of Fees:** This bill would increase the level of statutory fee remissions for state-supported colleges and universities. The costs of fee remissions are absorbed by the university's general fund. Statutory remissions must be provided first; the remainder of the money is discretionary. As statutory requirements increase, the level of discretionary dollars decreases. **This proposal does not call for an additional state appropriation.**

Under current law, a pupil of the Soldiers' and Sailors' Children's Home (ISSCH) or a person who has lived in Indiana for at least one year may attend any of Indiana's state assisted universities or colleges free of fees for four years if the student's mother or father served in the armed forces between April 6, 1917 and July 2, 1921, in World War II, in the Korean Crisis, or in the Viet Nam Conflict and suffered a service connected disability. The student must also possess sufficient academic qualifications.

Passage of this bill would establish three classes of beneficiaries:

- 1) Pupils of the ISSCH admitted to the home because the person was related to a member of the armed forces; or
- 2) The child of a parent who served in the armed forces, received the Purple Heart or was wounded in enemy action, and received an other than dishonorable discharge; or
- 3) The child of a parent who served in the armed forces before July 1, 1998 in wartime or in a hazardous duty as recognized by the receipt of a service or campaign medal, suffered a service connected disability or death, and received an other than dishonorable discharge.

**Pupils in ISSCH** (provision (A)(1)): Although the current fee remission law requires a pupil of the ISSCH to have a parent who suffered a service connected disability during certain periods in order to qualify, actual practice has been to allow any graduate of the home to attend college tuition free. This change would eliminate fee remissions for pupils who were referred to the ISSCH by the Division of Family and Children's Services and by the judicial system who are not related to a veteran. **This provision would have little or no effect on the number of students who qualify for fee remissions** because students who have not been a relative of a veteran have not yet graduated from the ISSCH.

The anticipated enrollment at the ISSCH for the 1998-99 school year is 180 students, all of whom are currently related to a veteran. In 1998, 22 seniors graduated. On average, about ten tuition remissions are awarded each year.

**Children of Purple Heart recipients** (provision (A)(2)) would receive fee remissions whether or not the veteran was disabled or served during the specified time periods. This provision **would potentially increase the number of fee remissions.**

**Children of parents killed or disabled in action** (provision (A)(3)): This provision would remove the stated time periods for eligibility from the statute and replace them with the requirement that the veteran had to have served during any war or on a hazardous duty for which the service medal or campaign medal was awarded. This provision allows the fee remission to be granted to the children of veterans disabled in wars or conflicts after Viet Nam and any future conflicts. This action **would also potentially increase the fee remissions.**

**Provision C** would allow for the remission of fees to be available for 124 semester credit hours rather than for four years. Some students who qualify under this bill are likely to attend college on a part time basis. Consequently, their eligibility ends in four years whether they complete their program or not. This provision would allow these part time enrollees to extend their eligibility for the fee remission beyond the current four

year limit, perhaps increasing fee remissions in future years.

The seven institutions of higher education report that in 1996, 6,308 students were awarded a Children of Disabled Veterans fee remission. The statewide average fee remission was \$1,017 in FY 1996. This note will be updated when information on the 1997 and 1998 school years becomes available.

***Penalty:*** If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund could increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, county or municipal court (courts of record), 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** ***Penalty:*** A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** ***Penalty:*** If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** State Assisted Colleges and Universities, Indiana Department of Veterans Affairs; Indiana Soldiers' and Sailors' Children's Home.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Indiana Soldiers' and Sailors' Children's Home (765)345-5141; Bob Ruble, Indiana Higher Education Commission (317) 464-4400, Bill Jackson Department of Veterans Affairs.